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H.R. 2862 – Departments of Commerce and Justice, Science, and Related Agencies Appropriations Bill, 2006

Calendar No. 137

On June 23, the Appropriations Committee reported H.R. 2862 with an amendment in the nature of a substitute and an amendment to the title, by a vote of 28-0; S. Rept. 109-88.

Noteworthy

- H.R. 2862 provides \$48.88 billion in new budget authority for fiscal year 2006, which is \$2.05 billion below the Administration's request, but \$875.5 million above the FY05 enacted level. The total includes \$229.0 million in mandatory appropriations.
- The Committee rejects the Administration's proposal for creating a new community development grant program, known as Strengthening America's Communities Grant Program, which would be managed under the Commerce Department in lieu of existing Department of Housing and Urban Development grant programs.
- H.R. 2862 includes a number of provisions to aid the Hurricane Katrina recovery, including: \$139.3 million for the Small Business Administration Disaster Loan Program Account; \$284.0 million for Economic Development Assistance Programs; and \$1.08 billion for State and Local Law Enforcement Assistance.
- H.R. 2862 provides \$4.48 billion for National Oceanic and Atmospheric Administration (NOAA), which is \$894.8 million above the Administration's request and \$550.8 million above the FY05 enacted level.
- H.R. 2862 provides \$16.40 billion for National Aeronautics and Space Administration (NASA), which is \$60.0 million below the Administration's request and \$200.0 million above the FY05 enacted level.
- On June 16, the House passed its version of H.R. 2862, by a vote of 418-7. The House bill includes funding for the State Department, which the Senate funded under H.R. 3057, the State, Foreign Operations Appropriations bill.

Highlights

(amount in billions)

<u>Title</u>	President's <u>Request</u>	Committee Recommendation
Title I—Dept. of Justice	\$20.60	\$21.20
Title II—Dept. of Commerce (non-science)	\$5.44	\$1.87
Title III—Science	\$26.18	\$27.25
Title IV—Related Agencies	\$2.20	\$2.23
Total	\$54.37 ¹	\$52.36 ²

Background

The Commerce, Justice, Science, and Related Agencies appropriations bill is the principal source of funding to support the Departments of Justice and Commerce, including the National Oceanic and Atmospheric Administration, the National Aeronautics and Space Administration, the National Science Foundation, and a number of independent agencies and commissions, including the Office of the United States Trade Representative, the Securities and Exchange Commission, the Small Business Administration, the Federal Trade Commission, and the Federal Communications Commission.

In February 2005, the Senate Committee on Appropriations underwent a reorganization that reduced the number of subcommittees from 13 to 12. The Subcommittee on Commerce, Justice, State, the Judiciary and Related Agencies became the Subcommittee on Commerce, Justice, Science, and Related Agencies. Appropriations for the operations of the Department of State were transferred to the Subcommittee on Foreign Operations, now the Subcommittee on State, Foreign Operations, and Related Agencies, and appropriations for the Federal Judiciary were transferred to the Subcommittee on Transportation and Treasury and Independent Agencies, now the Subcommittee on Transportation, Treasury, the Judiciary, Housing and Urban Development, and Related Agencies. Appropriations for the National Aeronautics and Space Administration, the National Science Foundation, and the Office of Science and Technology Policy within the Executive Office of the President were transferred to the

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¹ Totals do not add due to rounding and rescissions (see Title VI).

² Totals do not add due to rounding and rescissions (see Title VI). The difference between the bill total on page 1 and the bill total on this chart is due to scorekeeping from offsetting fees and other adjustments.

subcommittee formerly known as Commerce, Justice, State, the Judiciary and Related Agencies, now Commerce, Justice, Science, and Related Agencies.

Bill Provisions

Title I – Department of Justice

H.R. 2862 provides \$21.20 billion for the Department of Justice, which is \$602.0 million above the Administration's request and \$348.7 million above the FY05 enacted level. Significant spending accounts include³:

<u>General Administration</u>: Provides \$1.86 billion for General Administration, which is \$117.7 million below the Administration's request and \$251.3 million above the FY05 enacted level.

<u>United States Parole Commission</u>: Provides \$11.0 million for the United States Parole Commission, which is \$300,000 below the Administration's request and \$504,000 above the FY05 enacted level.

<u>United States Attorneys</u>: Provides \$1.57 billion for United States Attorneys, which is \$53.5 million below the Administration's request and \$45.8 million above the FY05 enacted level.

<u>United States Marshals Service</u>: Provides \$776.2 million for the United States Marshals Service, which is \$14.1 million below the Administration's request and \$16.7 million above the FY05 enacted level.

<u>Federal Bureau of Investigation (FBI)</u>: Provides \$5.32 billion for the FBI, which is \$380.5 million below the Administration's request and \$101.1 million above the FY05 enacted level.

<u>Drug Enforcement Administration (DEA)</u>: Provides \$1.65 billion for the DEA, which is \$45.0 million below the Administration's request and \$10.3 million above the FY05 enacted level.

Bureau of Alcohol, Tobacco and Firearms (ATF): Provides \$923.7 million for the ATF, which is \$87,000 above the Administration's request and \$41.2 million above the FY05 enacted level.

Federal Prison System: Provides \$5.12 billion for the Federal Prison System, which is \$360.0 million above the Administration's request and \$335.3 million above the FY05 enacted level.

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³ The order of spending accounts reflects the order of the chart in the back of the committee report (S.Rept. 109-88).

<u>Justice Assistance</u>: Provides \$221.0 million for Justice Assistance, which is \$982.5 million less than the Administration's request and \$3.9 million less than the FY05 enacted level. The disparity between the Administration's request and the Committee funding level occurs because the Administration's request combines funding for the State and Local Law Enforcement Assistance, the Weed and Seed Program Fund, and the Public Safety Officer Benefits program under one account, rather than separating each account as did the Senate Committee.

State and Local Law Enforcement Assistance: Provides \$1.08 billion for State and Local Law Enforcement Assistance, which is \$1.08 billion above the Administration's request and \$199.9 million below the FY05 enacted level. The President's Budget reduces or eliminates a number of programs that the Administration argues do not have a record of demonstrating results.

Weed and Seed Program Fund: Provides \$50.3 million for the Weed and Seed Program Fund, which is \$10.9 million below the FY05 enacted level. The Administration funds this program under the Justice Assistance account.

Community Oriented Policing Services (COPS): Provides \$515.1 million for COPS, which is \$512.3 million above the Administration's request, but \$83.3 million below the FY05 enacted level. The President's Budget reduces or eliminates a number of programs that the Administration argues do not have a record of demonstrating results.

<u>Juvenile Justice Programs</u>: Provides \$350.0 million for the Juvenile Justice Programs, which is \$29.0 million below the FY05 enacted level. The Administration did not request funding for the Juvenile Justice Programs. The President's Budget reduces or eliminates a number of programs that the Administration argues do not have a record of demonstrating results.

<u>Public Safety Officers Benefits</u>: Provides \$72.9 million for Public Safety Officer Benefits, which is \$3.6 million above the FY05 enacted level. The Administration funds this program under the Justice Assistance account.

Title II – Department of Commerce and Related Agencies

H.R. 2862 provides \$1.87 billion for the Department of Commerce and Related Agencies (excluding NASA and other agencies now funded in the Science title), which is \$3.57 billion under the Administration's request and \$156.7 million below the FY05 enacted level. The significant difference between the Administration's request and the committee funding stems from the Committee's rejection of the Administration's proposal for Strengthening America's Communities Grant Program that the President proposed to be managed under the Commerce Department to replace that managed by the Department of Housing and Urban Development. Significant spending accounts include:

<u>Office of the United States Trade Representative (USTR)</u>: Provides \$41.0 million for the USTR, which is \$2.2 million above the Administration's request and equal to the FY05 enacted level.

<u>International Trade Commission (ITC)</u>: Provides \$62.8 million for the ITC, which is \$2.5 million below the Administration's request and \$1.9 million above the FY05 enacted level.

<u>International Trade Administration (ITA)</u>: Provides \$401.6 million (in direct appropriations) for the ITA, which is \$5.7 million above the Administration's request and \$13.4 million above the FY05 enacted level.

Bureau of Industry and Security (BIS): Provides \$77.0 million for the BIS, which is equal to the Administration's request and \$9.5 million above the FY05 enacted level.

Economic Development Administration (EDA): Provides \$314.9 million for EDA, which is \$288.3 million above the Administration's request and \$30.9 million above the FY05 enacted level. The disparity between the Administration's request and the Committee funding is because the Committee restored the funding that the Administration proposed to manage under the Strengthening America's Communities Grant Program.

Economic and Statistical Analysis: Provides \$81.3 million for Economic and Statistical Analysis, which is \$4.0 million below the Administration's request and \$2.4 million above the FY05 enacted level.

<u>Bureau of the Census</u>: Provides \$727.4 million for the Bureau of the Census, which is \$150.0 million below the Administration's request and \$17.4 million below the FY05 enacted level.

National Telecommunications and Information Administration (NTIA): Provides \$57.3 million for the NTIA, which is \$33.8 million above the Administration's request and \$18.6 million above the FY05 enacted level. The President's Budget reduces or eliminates a number of programs that the Administration argues do not have a record of demonstrating results.

<u>Patent and Trademark Office (PTO)</u>: Provides \$1.70 billion for the PTO, which is equal to the Administration's request and \$158.5 million above the FY05 enacted level.

Title III – Science

H.R. 2862 provides \$27.25 billion for Science, which is \$1.07 billion above the Administration's request and \$946.7 million above the FY05 enacted level. Significant spending accounts include:

<u>National Institute of Standards and Technology (NIST)</u>: Provides \$844.5 million for the NIST, which is \$312.5 million above the Administration's request and \$145.3 million above the FY05 enacted level.

<u>National Oceanic and Atmospheric Administration (NOAA)</u>: Provides \$4.48 billion for NOAA, which is \$894.8 million above the Administration's request and \$550.8 million above the FY05 enacted level. The Committee disapproves of the budget request,

which proposes to terminate or significantly reduce \$600.0 million from programs ranging from climate change to marine mammal management to infrastructure support.

<u>National Aeronautics and Space Administration (NASA)</u>: Provides \$16.40 billion for NASA, which is \$60.0 million below the Administration's request and \$200.0 million above the FY05 enacted level.

<u>National Science Foundation (NSF)</u>: Provides \$5.53 billion for the NSF, which is \$74.0 million below the Administration's request and \$58.1 million above the FY05 enacted level.

Title IV – Related Agencies

H.R. 2862 provides \$2.23 billion for Related Agencies, which is \$36.4 million above the Administration's request, but \$870.5 million below the FY05 enacted level. Significant spending accounts include:

Equal Employment Opportunity Commission (EEOC): Provides \$331.2 million for the EEOC, which is equal to the Administration's request and \$4.4 million above the FY05 enacted level.

<u>Federal Communications Commission (FCC)</u>: Provides \$297.4 million for the FCC, which is \$6.7 million below the Administration's request and \$16.3 million above the FY05 enacted level.

<u>Federal Trade Commission (FTC)</u>: Provides \$211.0 million for the FTC, which is equal to the Administration's request and \$6.7 million above the FY05 enacted level.

<u>Legal Services Corporation (LSC)</u>: Provides \$324.5 million for the LSC, which is \$6.3 million above the Administration's request, but \$6.3 million below the FY05 enacted level.

<u>Securities and Exchange Commission (SEC)</u>: Provides \$888.1 million for the SEC, which is equal to the Administration's request and \$13.5 million below the FY05 enacted level.

<u>Small Business Administration (SBA)</u>: Provides \$621.6 million for the SBA, which is \$28.6 million above the Administration's request, but \$879.2 million below the FY05 enacted level.

Title V – General Provisions

Title V is composed of General Provisions concerning quarterly reports regarding unobligated balances, reprogramming of funds, NOAA ships, falsely mislabeled products, tobacco promotion, Alaska SBA disaster loans, Universal Service Fund, trace data as it relates to firearms-related crimes, and others.

Title VI – General Provisions

Title VI includes \$196.5 million in rescissions, which is \$146.3 million below the Administration's request, but \$74.7 million above the FY05 enacted level.

Administration Position

A Statement of Administration Policy (SAP) on the bill as reported by the Senate Appropriations Committee was not available at press time.

On June 14, the Administration released a **SAP on the House-reported bill**, H.R. 2862. The Administration supported House passage of H.R. 2862, and looks forward to working with Congress to ensure that the FY06 appropriations bills do not exceed the **\$843 billion discretionary funding level** contained in the FY06 Budget Resolution, as amended by the July 14, 2005, request for additional funds for Veterans Affairs medical care. (**The President's Budget includes over 150 program savings and reforms and was the first to propose reducing non-security discretionary spending since the Reagan Administration.**) In the **SAP to the House reported bill**, the Administration offered its views on several provisions, including the National Aeronautics and Space Administration, polar ice breaking, Educational and Cultural Exchange Program, National Endowment for Democracy, broadcasting to Cuba, Capital Security Cost Sharing Program, export control activities, Crime Victims Fund, Strengthening America's Communities Initiative, and the Administration program termination requests.

In addition, the **SAP** to the **House-reported bill** states that the President's senior advisers would recommend a veto if the following amendments were included: 1) "if any amendment that would weaken the USA PATRIOT Act were included in a bill presented to the President for his signature"; or 2) "if any provisions that weaken existing sanctions against Cuba, including restrictions on travel and gift parcels, are included in the final version of the bill presented to the President for his signature." **During the markup process, no such amendments were added to the Senate version of H.R. 2862.**

President's Program Terminations

(in millions of dollars)

Program	Classification	2005	2006	House	Committee
		Enacted	Request	Allowance	Recommendation
Manufacturing Extension	Reduction	\$108	\$47	\$106	\$106
Program (MEP)					
Emergency Steel	Termination	\$0	-\$50	-35\$	\$0
Guarantee Loan Program					
Advanced Technology	Termination	\$136	\$0	\$0	\$140
Program (ATP)					
Public					
Telecommunications					
Facilities, Planning and	Termination	\$21	\$2	\$2	\$22
Construction Program					
Federal Bureau of Prisons	Reduction	\$189	-\$144	\$70	\$222
Construction Program					
Juvenile Justice Law	Reduction	\$321	\$198	\$334	\$350
Enforcement Assistance					
Programs					
Byrne Justice Assistance	Termination	\$626	\$0	\$348	\$530
Grants					
COPS Hiring Grants	Termination	\$10	\$0	\$0	\$2
Byrne Discretionary	Termination	\$168	\$0	\$110	\$177
Grants					
State Criminal Alien	Termination	\$301	\$0	\$405	\$170
Assistance Program					
(SCAAP)					
Juvenile Accountability	Termination	\$54	\$0	\$60	\$49
Block Grants					
COPS Law Enforcement	Termination	\$137	\$0	\$120 ⁴	\$137
Technology Grants					
COPS Interoperable	Termination	\$99	\$0	\$120 ⁵	\$37.5
Communications					
Technology Grants					
Jupiter Icy Moons Orbiter	Reduction	\$402	\$280	\$0	\$0
Hubble Space Telescope	Termination	\$291	\$0	**	\$250
Robotic Servicing					
Mission					
SBA: Small Business	Termination	\$0	\$0	\$0	\$0
Investment Company					
(SBIC)					
SBA: Microloan Program	Termination	\$15	\$0	\$10	\$15
National Veterans	Termination	\$2	\$0	\$0	\$2
Business Development					
Corporation					

^{**} This number is unavailable in both the bill and report.

⁴ The House bill combines money for technology grants and interoperable communications technology grants. The total for both is \$120 million.
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Cost

H.R. 2862 would result in the following outlays:

FY 2006	\$29.665 billion ⁶
FY 2007	\$13.599 billion
FY 2008	\$3.970 billion
FY 2009	\$1.755 billion
FY 2010	
(and future years)	\$0.749 billion

Possible Amendments

Harkin D-IA: Senator Harkin is expected to offer an amendment to increase funding for the Legal Services Corporation from \$325 million to \$363 million.

A number of other amendments are expected. As of press time, no amendment text or more detailed descriptions are available.

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 $^{^{6}}$ Excludes outlays from prior-year budget authority.